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Supreme Court, U.S.
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IN THE

Supreme Court of the United States

OCTOBER TERM, 1988

STEELCASE INC.,

Petitioner,

v.

HAWORTH, INC.,

Respondent.

On Petition for a Writ of Certiorari To The United States Court Of Appeals For The Federal Circuit

BRIEF FOR HAWORTH, INC. IN OPPOSITION

George M. Sirilla
Counsel of Record
William K. West, Jr.
W. Patrick Bengtsson
Nancy J. Linck
CUSHMAN, DARBY & CUSHMAN
1615 L St., N.W., Suite 1100
Washington, D.C. 20036-5601
(202) 861-3000

PRESS OF BYRON S. ADAMS, WASHINGTON, D.C. (202) 347-8203

RESTATEMENT OF THE QUESTION PRESENTED

It is the respondent's position that only one question for review is presented:

Whether the Federal Circuit can reverse a district court's finding of non-infringement of asserted patent claims when valid findings of fact of the district court, combined with the claims as properly reinterpreted under well-settled principles of patent law, leave no question that the claims are infringed.

RULE 28.1 STATEMENT

Respondent, Haworth, Inc., has no parent companies, subsidiaries, or affiliates apart from wholly-owned subsidiaries.

TABLE OF CONTENTS

	Page
RESTATEMENT OF THE QUESTION PRESENTED .	i
RULE 28.1 STATEMENT	ii
TABLE OF CONTENTS	iii
TABLE OF AUTHORITIES	iv
COUNTERSTATEMENT OF THE CASE	1
REASONS FOR DENYING THE WRIT	2
CONCLUSION	8

TABLE OF AUTHORITIES

	Page
Allen Archery, Inc. v. Browning Mfg. Co., 819 F.2d 1087 (Fed. Cir. 1987)	8
Amstar Corp. v. Envirotech Corp., 730 F.2d 1476 (Fed. Cir.), *cert. denied*, 469 U.S. 924 (1984)	5
Dennison Mfg. Co. v. Panduit Corp., 475 U.S. 809 (1986)	3,8
Loctite Corp. v. Ultraseal, Ltd., 781 F.2d 861 (Fed. Cir. 1985)	6
Moeller v. Ionetics, Inc., 794 F.2d 653 (Fed. Cir. 1986)	6
Panduit Corp. v. Dennison Mfg. Co., 810 F.2d 1561 (Fed. Cir.), *cert. denied*, 107 S. Ct. 2187 (1987)	3,5,6,8
SmithKline Diagnostics v. Helena Labs. Corp., 859 F.2d 878 (Fed. Cir. 1988)	6,7
SRI Int'l v. Matsushita Elec. Corp., 775 F.2d 1107 (Fed. Cir. 1985)	4,7
UMC Elec. Co. v. United States, 816 F.2d 647 (Fed. Cir. 1987), *cert. denied*, 108 S. Ct. 748 (1988)	8
Petition For Writ Of Certiorari:	
Barnes-Hind/Hydrocurve, Inc. v. Bausch & Lomb Inc., No. 86-1917	7
Capital Controls Co. v. Chlorinators Inc., No. 88-637	7
Delta Resins & Refractories, Inc. v. Ashland Oil Co., No. 85-1108	7
EWP Corp. v. Reliance Universal Inc., No. 85-29	7
Gabriel Elec., Inc. v. Andrew Corp., No. 88-432	7

Table of Authorities Continued

	Page
J.A. LaPorte, Inc. v. Norfolk Dredging Co., No. 86-215	7
Rol Mfg. Co. v. Nickson Indus., Inc., No. 85-26	7
Verdegaal Bros. v. Union Oil Co., No. 86-1994	7
Uniroyal, Inc. v. Rudkin-Wiley Corp., No. 87-2046	7
Statutes:	
35 U.S.C. § 103	3
Rule 52(a), Fed. R. Civ. P.	3,8
Publication:	
Harmon, R.L., *Patents and the Federal Circuit* (1988)	7

COUNTERSTATEMENT OF THE CASE

Respondent Haworth, Inc. (Haworth) sued petitioner Steelcase Inc. (Steelcase) in the Western District of Michigan for infringement of two Haworth patents. Steelcase pleaded the usual defenses of invalidity and unenforceability and denied infringement.

The district court issued a 68-page opinion, holding the patents valid and enforceable, but finding them not infringed based on a 17 page infringement analysis which was essentially an uncritical adoption of Steelcase's *pre-trial* proposed findings of fact.[1] The district court's noninfringement finding was based on certain features which Steelcase asserted were required by Haworth's patent claims, but not present in its accused products.

The Federal Circuit reversed the district court's infringement determination, holding that the trial court had committed *legal* error in construing the claims in issue. The principal legal error was that the district court had improperly "read into" each of the claims additional details or features ("limitations") which were not *legal* requirements of the asserted claims. Pet. App. 3a-4a. Thus, correction of the district court's legal error merely required the Federal Circuit to remove, as a matter of law, the limitations which the district court had improperly included within the scope of the claims, as a matter of law, in the first step of its "infringement inquiry." Pet. App. 37a.

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[1] Steelcase seeks to make much of the fact that the Federal Circuit opinion totals 5 pages, in comparison to the district court's 68 page opinion. The more appropriate comparison, if one must be made based on quantity rather than quality, is 5 pages compared to 17.

Except for the arguments based on these limitations, improperly relied upon by the district court, Steelcase did not make any specific denial of infringement. Indeed, there is no contention by Steelcase that the properly construed claims do not read on and cover the combination of features found by the district court to be present in the accused panels. Thus, as a matter of law and without remand to the district court, the Federal Circuit concluded that Steelcase's products infringed.[2]

REASONS FOR DENYING THE WRIT

The petition should be denied because it totally lacks any "special and important reasons" for granting it, as required by Rule 17.1 of this Court. Clearly there is no conflict between the judgment of the Federal Circuit for which review is sought and any decision of another Court of Appeals, since the Federal Circuit has exclusive jurisdiction over patent appeals. Nor has the Federal Circuit in its judgment "so far departed from the accepted and usual course of judicial proceedings . . . as to call for an exercise of this Court's power of supervision," as specified in Rule 17.1(a) of this Court.

Rather this case presents a single, narrow question of patent law relating to how patent claims are in-

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[2] In spite of Steelcase's criticism of the Federal Circuit for not publishing its opinion or providing an explanation of what it was doing, see for example, Pet. 4 & 15, Steelcase did not ask the Federal Circuit to publish the opinion, nor did it request clarification, as it could have. Further, in spite of its criticism of the actions of the three-judge panel, Steelcase did not seek rehearing *en banc* as it could have. Rather, Steelcase disdained all of these available procedures.

terpreted by the Federal Circuit, a court having "special expertise in the field of patent law", as Steelcase recognizes. Pet. 14. Thus, if any inconsistency does exist within the Federal Circuit itself (and Haworth believes it does not), the proper forum to resolve that inconsistency is the Federal Circuit itself by a hearing *en banc*. But Steelcase did not suggest such a hearing. See *supra* note 2.

Steelcase argues in its petition that the Federal Circuit (1) gave no deference to the district court's claim interpretation which, according to Steelcase, was based on "extrinsic evidence" and (2) ignored the district court's finding based on the reverse doctrine of equivalents.

Steelcase attempts to frame these issues as ones implicating Rule 52(a), similar to that addressed by this Court in *Dennison Mfg. Co. v. Panduit Corp.*, 475 U.S. 809 (1986) (per curiam).[3] In *Dennison*, however, the issue was that of obviousness under 35 U.S.C. § 103 which, although a question of law, *requires* that certain factual findings be made *before* the legal question can be addressed. Unlike that issue, claim interpretation is a legal question that does *not*

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[3] In *Dennison*, on remand, the Federal Circuit acknowledged its duty to review the district court's factual findings under the clearly erroneous standard, *Panduit Corp. v. Dennison Mfg. Co.*, 810 F.2d 1561, 1565-66 (Fed. Cir.), *cert. denied*, 107 S. Ct. 2187 (1987), and affirmed its earlier decision for two reasons: (1) A "proper application of the law to unassailable findings compel[led] reversal"; and (2) The "findings on which the obviousness conclusion rested [were] clearly erroneous and . . . nothing of record warrant[ed] a further exercise of the fact-finding function or indicat[ed] any possibility that the appealed judgment might be sustained by such exercise." *Id.*

require factual predicate—as both the district court, Pet. App. 37a, and the Federal Circuit, Pet. App. 3a, recognized. *See also, e.g., SRI Int'l v. Matsushita Elec. Corp.*, 775 F.2d 1107, 1118 (Fed. Cir. 1985) (en banc) ("Claim interpretation or construction is a legal matter subject to review free of the clearly erroneous standard applicable to fact finding.").

Steelcase emphasizes that in some situations, for example when the meaning of a key term is disputed, expert testimony may be considered. Pet. 6. Haworth need not dispute that contention since, in this case, the district court's interpretation of the claims was *not* based on disputed terms, or even disputed testimony, but rather was determined as "a question of law". Pet. App. 37.[4] Steelcase points to no finding based on disputed evidence. The district court's construction of the claim was based instead on faulty interpretation of the patent specification, the prosecution history, other claims and Haworth's products. The Federal Circuit also considered these in holding that the district court had committed legal error. Thus, the Federal Circuit properly construed the claims, *as a matter of law*, based on well-settled legal principles. See Pet. App. 2a-4a. Then, because "a proper application of the law to unassailable findings

[4] Steelcase suggests that there was "testimony by persons with the relevant expertise" on the issue of claim interpretation. Pet. 6. See also Pet. 5. Steelcase, however, offered *no* expert testimony on the issue of claim construction. Wilson's testimony relating to Haworth's "products described in the specification" cited at Pet. 8, is simply irrelevant to this issue, because the claims are *not* limited by Haworth's products or described embodiments. Failure to follow that proposition gave rise to the legal error committed by the district court! See Pet. App. 3a-4a.

compel[led] reversal," *Panduit Corp. v. Dennison Mfg. Co.*, 810 F.2d 1561, 1565 (Fed. Cir.) (on remand), *cert. denied*, 107 S. Ct. 2187 (1987), the Federal Circuit entered judgment on the infringement issue for Haworth *without* overturning fact-finding in violation of Rule 52(a), *without* making any independent fact-findings and *without* remanding to the district court. This conclusion was proper. *See Amstar Corp. v. Envirotech Corp.*, 730 F.2d 1476, 1481 (Fed. Cir.), *cert. denied*, 469 U.S. 924 (1984) ("Though literal infringement of a properly interpreted claim is a fact question, its determination may be rendered clearly erroneous through an improper interpretation and application of the governing law. In that event, . . . the determination must be overturned as having resulted from error as a matter of law.").

Steelcase's petition attempts to sidestep the express basis for the Federal Circuit's reversal of the district court's decision on the infringement issue: That the district court committed *legal error* when it improperly construed Haworth's patent claims in a manner *not* in accordance with well-settled principles of patent law. Because the district court's ultimate finding of non-infringement was based exclusively on the very limitations which were improperly read into the claims, the Federal Circuit had every reason and every right to find the properly interpreted claims infringed, based on the district court's *own* subsidiary findings concerning the accused Steelcase products.[5] Indeed, Steelcase presented no defense to the claims as prop-

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[5] For example, the district court found that Steelcase's power blocks are "fixedly but removably connected" to the panels. Pet. App. 44a. The claim term "fixedly mounted" when properly construed includes "fixedly but removably connected".

erly interpreted. Thus, contrary to Steelcase's assertions, "valid findings of the district court, combined with the claims, as reinterpreted, le[ft] no doubt on the issue of infringement." *See* Pet. 12.

In its Petition, Steelcase also ignores the fact that the court's ultimate "findings" on the reverse doctrine of equivalents issue, upon which Steelcase now attempts to rely to support its Petition, were based entirely on the very same *legally* erroneous claim construction relied upon by the district court in its holding of non-infringement. As its opinion clearly demonstrates, the "reverse doctrine" findings amount to nothing more than mere observations that the Steelcase products are "far changed in principle" from features *not* required by proper construction of the patent claims. See, for example, Pet. App. 53a. Thus, those ultimate findings were necessarily immaterial to resolution of the infringement issue.[6] On review the Federal Circuit could reverse on this issue because "nothing of record warrant[ed] a further exercise of the fact-finding function or indicate[d] any possibility that the appealed judgment might be sustained by such exercise." *Panduit*, 810 F.2d at 1565.

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[6] "The first step in determining infringement is to construe the claims. *Loctite Corp. v. Ultraseal, Ltd.*, 781 F.2d 861, [866] . . . (Fed. Cir. 1985). The then-properly construed claims are compared to the alleged infringing device. *Id.* Improper claim construction can therefore distort the entire infringement analysis. That happened here." *Moeller v. Ionetics, Inc.*, 794 F.2d 653, 656 (Fed. Cir. 1986). *Accord SmithKline Diagnostics v. Helena Labs. Corp.*, 859 F.2d 878, 885 (Fed. Cir. 1988) (Once it is "determined that the district court improperly interpreted the claims, the remainder of its decisional process on the issues of validity and infringement is distorted.").

Steelcase's "reverse doctrine" argument is a "red herring". That doctrine is seldom used and is very rarely successful. *See* Harmon, R.L., *Patents and the Federal Circuit* 113-14 (1988). *See also SRI Int'l*, 775 F.2d at 1123-24 (*reversing* a finding of non-infringement under the reverse doctrine of equivalents); *SmithKline Diagnostics, Inc. v. Helena Labs. Corp.*, 859 F.2d 878, 889 (Fed. Cir. 1988) (*reversing* a finding of non-infringement under the reverse doctrine of equivalents). In fact, at the conclusion of trial, Steelcase thought so little of its "reverse doctrine" defense that Steelcase completely omitted it from its *post-trial* briefs.

Contrary to Steelcase's assertions, this case would be a particularly inappropriate test case for this Court to hear. Of all the other petitions cited by Steelcase to illustrate that "the Federal Circuit is prone to overlook the limits on appellate courts", Pet. 14 n.15, *not a single one* focused on the Federal Circuit's approach to the legal question of claim interpretation! Rather the only questions presented for this Court's review in those cases stemmed from the Federal Circuit's decisions based on patent validity issues, including that of obviousness (as in *Dennison*).[7] Such issues pose very different analytical problems and re-

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[7] *See Rol Mfg. Co. v. Nickson Indus., Inc.*, No. 85-26 (obviousness); *EWP Corp. v. Reliance Universal Inc.*, No. 85-29 (obviousness); *Delta Resins & Refractories, Inc. v. Ashland Oil Co.*, No. 85-1108 (obviousness); *J.A. LaPorte, Inc. v. Norfolk Dredging Co.*, No. 86-215 (anticipation); *Barnes-Hind/Hydrocurve, Inc. v. Bausch & Lomb Inc.*, No. 86-1917 (obviousness); *Verdegaal Bros. v. Union Oil Co.*, No. 86-1994 (anticipation); *Uniroyal, Inc. v. Rudkin-Wiley Corp.*, No. 87-2046 (obviousness); *Gabriel Elec., Inc. v. Andrew Corp.*, No. 88-432 (indefiniteness); *Capital Controls Co. v. Chlorinators Inc.*, No. 88-637 (anticipation).

quire different considerations than the issues raised in this case. Thus, even if the Federal Circuit might have over-stepped its limits in other cases, in spite of its careful observance of this Court's admonition in *Dennison*,[8] this case is *not* an appropriate one in which to address such issues.

CONCLUSION

The Federal Circuit did not ignore Rule 52(a), as Steelcase argues. The district court determined the scope of the patent claims in issue as a question of law, but committed legal error. The Federal Circuit corrected that legal error, and properly construed the claims. Based on the district court's own subsidiary findings, there remained no contention that the asserted claims, properly construed, are not infringed. Thus, the Federal Circuit's holding of infringement required only proper application of the law to the subsidiary facts previously found by the district court.

There is no reason to disturb that appellate decision, and no ground for invoking this Court's jurisdiction.

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[8] *See, e.g., Allen Archery, Inc. v. Browning Mfg. Co.*, 819 F.2d 1087, 1092 (Fed. Cir. 1987)(stating that "factual findings of the district court underlying the obviousness conclusion cannot be overturned on appeal unless they are clearly erroneous. *Dennison Mfg.* . . . 475 U.S. 809"); *UMC Elec. Co. v. United States*, 816 F.2d 647, 657 (Fed. Cir. 1987), *cert. denied*, 108 S. Ct. 748 (1988)(holding because "the Claims Court's factual findings are not disputed, and the issue may be resolved by application of the proper rule of law to those findings, we need not remand"); *Panduit*, 810 F.2d at 1565 (stating that "an appellate court may . . . not make its own findings").

Steelcase's petition for writ of certiorari should be denied.

Respectfully submitted,

George M. Sirilla
Counsel of Record
William K. West, Jr.
W. Patrick Bengtsson
Nancy J. Linck
CUSHMAN, DARBY & CUSHMAN
1615 L St., N.W., Suite 1100
Washington, D.C. 20036-5601
(202) 861-3000

Counsel for Respondent

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